



The President's Daily Brief

March 19, 1974



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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

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PRINCIPAL DEVELOPMENTS

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The French have approached their EC partners to propose establishment of a meaningful EC energy policy, according to Luxembourg's foreign minister. (*Page 2*)

Notes on South Vietnam, Cambodia, France, Cuba, Guatemala, and USSR-Yemen appear on *Pages 3 and 4*.

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USSR

It does not now appear likely that the SALT negotiators will finish their work by the end of this year. Although the second session of this phase of the Geneva talks is only four weeks old, one Soviet delegate has already said that not enough remains this year to reach a new agreement. The second phase of the negotiations began well over a year ago, but the substantive positions of the two sides are in some respects as far apart as ever.

The Soviets are plainly in no hurry to negotiate a permanent agreement, mainly because they like the terms of the Interim Agreement, which does not expire until July 1977. In their view, a longer term agreement might reduce the advantages in ICBM and SLBM numbers and throw-weight they have under the Interim Agreement. The Soviets also claim that Washington is not willing to compensate them sufficiently for US forward-based systems and NATO's strategic weapons. There have been some informal hints recently of flexibility on the issue of forward-based systems, but the Soviets are still seeking wherever possible to link this question to key elements of the US position.

It is unlikely that there will be further movement at the Geneva talks until after Secretary Kissinger's trip to Moscow next week. The Soviet delegates claim that they have received no new instructions; they say they would like the US to elaborate on its latest proposal that priority be given to the problem of establishing equal throw-weight limitations on ICBMs equipped with MIRVs.

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FRANCE-EC

The French have approached their EC partners to propose establishment of a meaningful EC energy policy, according to Luxembourg Foreign Minister Thorn. An EC energy policy group would have responsibilities resembling those already being handled in the 12-nation Energy Coordinating Group, but the French are promising a wider range of cooperation. Paris wants EC energy policy discussed at the EC Council meeting on April 1-2.

According to Thorn, the French initiative arose out of a meeting in Paris last week between President Pompidou and EC Commission President Ortoli. Ortoli told Pompidou that the success thus far of the Coordinating Group--which had alarmed the French--was partly a consequence of French unwillingness to endorse EC cooperation in energy matters.

Thorn advocated that the EC eight and the US counter Pompidou's move by accelerating progress in the Coordinating Group and, above all, by moving rapidly to schedule a broad conference including the lesser developed countries and the producers.

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NOTES

South Vietnam: Fighting in the central highlands has eased, at least temporarily. Both sides appear to have suffered heavy casualties in Communist attacks over the weekend near Kontum city and near the border of Pleiku and Binh Dinh provinces. Senior military officials in Military Region 2 believe the attacks were coordinated and are concerned that more may soon take place. There has been heavy infiltration of men and materiel along the Communist logistic corridor in the western highlands in the past few months, as well as a continuing effort to expand the logistics system to the east.

Cambodia: The loss to the Communists of the isolated provincial capital of Oudong, some 20 miles northwest of Phnom Penh, is of little tactical importance, but it is a significant psychological setback for the government. Cambodian Army troops late yesterday were still holding out just east of Oudong, but Khmer Communist troops were burning buildings and trying to remove the town's 20,000 civilian inhabitants. A government relief column attempting to move down Route 5 from the north is bogged down in the face of stiff resistance.

France: The deputy editor in chief of a pro-government periodical told the US political counselor on March 14 that "Pompidou is slipping rapidly"

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Cuba: Cuban Armed Forces Minister Raul Castro has been negotiating off and on with the Soviets since February 5, apparently seeking to procure sophisticated military weapons. The length of Castro's visit to Eastern Europe is partially due to side trips, but he has returned to the USSR for several days after each trip, a pattern that suggests he is having difficulties with the Soviets. Castro may be asking for more than the Soviets are willing to supply, particularly in terms of upgrading Cuba's arms inventory. Since 1968, arms shipments from the Soviet Union have been largely to replace expended munitions, destroyed aircraft, and worn-out equipment.

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Guatemala: The Guatemalan Government appears to have stifled opposition to the fraudulent presidential election and is going ahead with preparations to inaugurate its candidate, General Kjell Laugerud. Top army generals seem to be backing the government. Appeals by the defeated candidate, General Efraim Rios Montt, for nationwide strikes have gone unanswered, and police have easily broken up street demonstrations. Rios has now removed himself, in effect, from a position of opposition by accepting a recall to active duty in the army

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USSR-Yemen (Sana): Moscow has begun sending military equipment to Yemen (Sana) again after a break of over three years in deliveries. The transfer of some West European manufactured ground force equipment from other Arab states to Sana last year and discussions with the US for a large assortment of arms and military training may have led Moscow to revive its military assistance.

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